

**From:** SPILIOTIS dimitri <dimitri.spiliotis@insead.fr>  
**To:** 'Vassilis Tsamourtzis' <vtsamourtzis@hotmail.com>; <peter@suttonlawgroup.com>; <leandrosk@hotmail.com>  
**Cc:** <avouros@yahoo.com>  
**Sent:** 20 November 2000 21:55  
**Subject:** RE: Fw: Proposal (Vassilis)

Peter and Leandre,

I am inclined to agree with Vassilis' analysis of the situation. I think the difficulty of negotiations at this time revolves around the crucial uncertainty of how this business is to proceed. In my mind, at least, the future of the business is unclear and so it is hard to reach a legal agreement. If Leandros and the team receive positive feedback from the patent process (it seems to be a good idea, the idea is patentable, successfully applied for, etc.), the negotiation of equity stakes and the use of the company vehicle provided by Peter becomes very relevant and will be resolved accordingly. If, however, Leandros and the team are discouraged by the patent process and/or the development of the idea appears problematic for whatever reason, it does not make sense to promise Peter equity compensation.

I think the key is for no further actions to be taken until the two of you are in agreement about how to proceed. If I have correctly touched on the problematic issue here, then, Leandre and Peter, you must agree on how any legal work from now until Leandros and the team resolve the business case (and the patent filing) will be compensated. At that time negotiations can take place if needed. I continue to believe that there is a potential enormous value for Peter and his firm if things proceed smoothly and the idea is implemented. It seems, however, that there are short-term misunderstandings.

Dimitri

My memory of the POTENTIAL equity stake in the case of a long-term agreement being reached one day, by the way, was that Peter would like to have 30% but could accept 20% (under which conditions I don't know or remember).

-----Original Message-----

**From:** Vassilis Tsamourtzis  
**To:** peter@suttonlawgroup.com; leandrosk@hotmail.com  
**Cc:** avouros@yahoo.com; dimitri.spiliotis@insead.fr  
**Sent:** 11/20/00 10:00 PM  
**Subject:** Re: Fw: Proposal (Vassilis)

Dear Peter and Leandre,

I would like to add some of my input to your discussions, since it seems to me that there is some misunderstanding out there.

According to my understanding, during the visit here in Athens Peter offered the following:

- his intermediation for the process of obtaining the patent
- his company
- his assistance during the process of bringing the company OTC traded in exchange of:
- keeping a 10% stake in the company
- obtaining a further 20% of the company (at particular milestones which

were to be determined) which would be returned to Leandros at a predetermined price

Peter has also mentioned that the return that he would wish from the sell of such company would be approximately 2'000'000\$, amount, which I believe, is substantial, and could be achieved only if the company possessed a sound business model based on a patent such as Leandros'.

According, always to my understanding, Leandros did not accept or refuse

Peter's proposal. He said that the decision to be taken would be subject to the completion of the business plan, which is currently under way. Of course one of the main issues which will influence the business plan is the obtention or not of the patent. Another issue is the outcome of the discussions currently undertaken, about possible ways of financing (EU backed financing, etc).

In other words, I believe that both of you wish to reach an agreement, but there are still two things to be taken into account:

- it is too soon for commitments since not even the patent is filed
- the value that each side brings on the table must be examined thoroughly

I would propose that you, if you wish, rediscuss the issue once the patent is filed and the business plan completed. At this point both sides will be more mature to reach an agreement.

Best Regards. Vassilis

>From: "Peter Moulinos" <peter@suttonlawgroup.com>  
 >To: "Leandros Kontogouris" <aphle@otenet.gr>  
 >CC: <vtsamourtzis@hotmail.com>, <leandrosk@yahoo.com>  
 >Subject: Fw: Proposal  
 >Date: Sun, 19 Nov 2000 20:31:35 -0500  
 >  
 >  
 >----- Original Message -----  
 >From: Peter Moulinos  
 >To: Leandros Kontogouris  
 >Cc: tedgeorgiou@yahoo.com ; avouros@yahoo.com ;  
 dimitri.spiliotis@insead.fr  
 >Sent: Sunday, November 19, 2000 8:30 PM  
 >Subject: Proposal  
 >  
 >  
 >Leandre,

>

>Hope you're doing well and had an enjoyable weekend.

>

>It is unfortunate that we have yet to reach an agreement on going forward,

>notwithstanding my belief when I left Athens there was one basically in

>place. As you may recall, I reviewed the points of agreement which we had

>noted at your office and all were in agreement with those points, including

>our 30% stake, payment of legal fees, etc. When we spoke the following day

>on the telephone, I indicated that we were willing to reduce our initial

>stake to 20% with an additional 10% to be spread over a period of time

>which you indicated was likely acceptable. Unfortunately, as there is no

>agreement in place, nor a contract to acquire Hellas Trading for the

>purpose of optioning the rights to the patent, we cannot proceed further at

>this time. You must understand that without any agreement, our position in

>this project is non-existent and we are providing our services based on an

>expectation, which is not acceptable.

>

>We remain available to working with you on the original guidelines as

>discussed or, as previously indicated in my prior e-mail, rendering our

>services at our hourly rate of \$300.00 per hour requiring an initial

>retainer of \$5,000.00. Absent the foregoing, I would be happy to direct

>you to Holland & Knight and Benjamin Urcia, Esq., who conducted the patent

>search. As also previously mentioned, the firm of Bacon & Thomas is being

>acquired by Holland & Knight at the end of the year and they are therefore

>working in conjunction expecting the merger to occur and all attorneys of

>Bacon & Thomas to become members of Holland & Knight. As per the retainer,

>there was an amount of \$1,000.00 charged for the search leaving a balance

>of \$1,495.00 with our office. I prepared to accept your instructions as to

>this retainer. I believe Holland & Knight requires approximately \$7,000.00

>to write the patent however Kevin Buford of that firm can reduce this as

>per my discussions with him.

>

>Your courtesy and thoughts have been appreciated and I would like to assist

>you in any way possible to see your project succeed.

>

>Regards,

>Peter

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